

THIS AMENDMENT:	
_____ Passed _____	Passed as amended by _____
_____ Failed _____	Not Offered _____ Withdrawn _____



0000089680

ORIGINAL

GLEASON PROPOSED AMENDMENT #1

DATE PREPARED: October 14, 2008

IN THE MATTER OF: Proposed Rulemaking Regarding Net Metering

DOCKET NOs: RE-00000A-07-0608

OPEN MEETING DATE: October 15 and 16, 2008

AGENDA ITEM: 19

RECEIVED
 2008 OCT 14 A 9:11
 ARIZONA OFFICE OF
 ELECTRICITY DELIVERY
 AND ENERGY RELIABILITY

Reference to the Recommended Opinion and Order

Page 5, line 12

STRIKE "April 28, 2008"

INSERT "April 18, 2008"

Page 6, between lines 2 and 3, INSERT a new Finding of Fact to read:

"27. The Recommended Opinion and Order ("ROO") in this matter was filed in this docket on September 29, 2008.

Renumber Findings of Fact to conform

Page 6, lines 14 and 15, STRIKE:

", but no substantial changes to the Proposed Net Metering Rules are required"

Page 6, STRIKE line 19

Renumber Findings of Fact to conform

Page 6, between lines 22 and 23, INSERT new Findings of Fact to read:

"33. On October 8, 2008, the Electric Cooperatives filed exceptions to the ROO in which the Electric Cooperatives reiterated their concerns with the language in R14-2-2302.M.4 (as so designated in Decision No. 70194), which is identical to R14-2-2302.13.d in the April 18, 2008, Notice of Proposed Rulemaking and Appendix A.

34. On October 8, 2008, UniSource Energy filed exceptions to the ROO in which UniSource Energy expressed its concerns with the language in R14-2-2302.13.d.

Arizona Original Submission

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35. As stated in their respective exceptions, both the Electric Cooperatives and UniSource Energy are concerned that, by allowing the generating capacity of net metering facilities to be as much as 125 percent of the customer's total connected load, R14-2-2302.13.d has the potential to degrade system reliability, and thus necessitate that the affected utilities upgrade infrastructure in response to that potential at the expense of other customers. For that reason, as well as to more closely align distribution system sizing with distributed generation sizing, the Electric Cooperatives and Unisource energy request that the 125 percent capacity limit in R14-2-2302.13.d be reduced to 100 percent.

36. On March 6, 2008, APS filed comments in this docket in which APS expressed concerns with proposed Rule R14-2-2302.M.4 similar to those described in the October 8, 2008, exceptions of the Electric Cooperatives and UniSource Energy.

37. Having reviewed APS' March 6, 2008, comments, the exceptions filed by the Electric Cooperatives and UniSource Energy, and arguments pertaining to this issue as summarized in Appendix B attached to the ROO, we disagree with Staff that the Electric Cooperative's concerns, and by extension the similar concerns of APS and UniSource Energy, are 'unfounded.'¹ Accordingly we will amend Appendix A, page 5, line 2, by striking '125%' and inserting '100%' in R14-2-2302.13.d."

Page 6, STRIKE lines 27 and 28

Page 7, STRIKE lines 1 through 5 and INSERT new Conclusions of Law to read:

"3. Pursuant to A.R.S § 41-1022(E), if the Commission determines that R14-2-2302.13.d included in Appendix A, as amended herein according to Finding of Fact No. 36, constitutes a substantial change to R14-2-2302.13.d as published in the April 18, 2008, Notice of Proposed Rulemaking, the Commission is required to issue a supplemental notice containing the changes to the proposed rules and to provide for additional public comment pursuant to A.R.S. § 41-1023.

4. Amending R14-2-2302.13.d to reduce the allowable generating capacity of Net Metering Facilities from 125% to 100% of the customer's total connected load is a substantial change pursuant to A.R.S. § 41-1025(B)(3) because of the extent to which the effects of the rule as amended herein differ from the effects of the published proposed rule if it had been made instead."

Page 7, STRIKE lines 7 through 15

Page 8, STRIKE lines 1 through 5 and INSERT:

"IT IS THEREFORE ORDERED that the Utilities Division shall, on or before October 24, 2008, prepare and file with the Secretary of State a Notice of Supplemental Proposed Rulemaking that includes the text of proposed Rules R14-2-2301 through R14-2-2308 as included in Appendix A as modified herein according to Finding of Fact No. 36, attached hereto and incorporated by reference, for publication in the *Arizona Administrative Register* no later than October 31, 2008.

¹ Appendix B, page 8, lines 7 and 8

IT IS FURTHER ORDERED that the Hearing Division shall hold an oral proceeding to receive public comment on the Notice of Supplemental Proposed Rulemaking on December 1, 2008, at 10:00 a.m. or as soon as practicable thereafter, in Hearing Room # 1 at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona, 85007.

IT IS FURTHER ORDERED that interested persons may provide comments concerning the text of proposed Rules R14-2-2301 through R14-2-2308, as included in the Notice of Supplemental Proposed Rulemaking, by filing written comments with the Commission's Docket Control by December 1, 2008, and/or by providing oral comments at the oral proceeding.

IT IS FURTHER ORDERED that the Utilities Division shall ensure that the Preamble to the Notice of Supplemental Proposed Rulemaking:

1. provides notice of the date, time, and location of the oral proceeding required herein, and
2. states that written comments on the Notice of Supplemental Proposed Rulemaking:
 - a. will be accepted through December 1, 2008; and
 - b. should include a reference to Docket No. RE-00000A-07-0608; and
 - c. should be filed with the Commission's Docket Control.

IT IS FURTHER ORDERED that the Utilities Division shall:

1. ensure that any written comments submitted to the Utilities Division rather than the Commission's Docket Control are promptly filed with the Commission's Docket Control; and
2. on or before November 3, 2008, file with Docket Control a revised version of the Economic, Small Business, and Consumer Impact Statement attached hereto as Appendix C, which shall address the economic impacts of the changes to Rules R14-2-2301 through R14-2-2308 as included in the Notice of Supplemental Proposed Rulemaking; and
3. on or before November 28, 2008, file with Docket Control a document including:
 - a. a summary of any written comments filed by interested persons between the effective date of this Decision and November 26, 2008; and
 - b. the Utilities Division's response to those comments; and
4. on or before December 8, 2008, file with Docket Control a document including:
 - a. a summary of any written comments that were filed by interested persons between the effective date of this Decision and December 1, 2008, and that were not included in the prior summary; and
 - b. a summary of any oral comments provided at the oral proceeding; and
 - c. the Utilities Division's response to those comments."

Reference to Appendix A

Page 5, line 2, STRIKE "125%" and INSERT "100%"

Amend Appendix B to conform

Make all other conforming changes